Senate Bill 227

By: Senator Cagle of the 49th

AS PASSED

AN ACT

To amend Title 36 of the Official Code of Georgia Annotated, relating to local government, and Title 50 of the Official Code of Georgia Annotated, relating to state government, so as to provide for the entering into of cap, collar, swap, and other derivative transactions regarding interest rates that manage interest rate risk or cost with respect to the issuance of certain bonds; to provide for definitions; to provide for procedures, conditions, and limitations; to provide for powers, duties, and authority of the Georgia State Financing and Investment Commission; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended by adding a new article at the end of Chapter 82, relating to bonds, to be designated Article 11, to read as follows:

“ARTICLE 11

36-82-250.

As used in this article, the term:

(1) 'Counterparty' means the party entering into a qualified interest rate management agreement with the local governmental entity. A counterparty must be a bank, insurance company, or other financial institution duly qualified to do business in the state that either:

(A) Has, or whose obligations are guaranteed by an entity that has, at the time of entering into a qualified interest rate management agreement and for the entire term thereof, a long-term unsecured debt rating or financial strength rating in one of the top two ratings categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, assigned by any two of the following: Moody s Investors Service, Inc., Standard & Poors Ratings Service, a division of The

McGraw-Hill Companies, Inc., Fitch, Inc., or such other nationally recognized ratings service approved by the governing body of the local governmental entity; or

(B) Has collateralized its obligations under a qualified interest rate management agreement in a manner approved by the local governmental entity.

(2) 'Debt' shall include all debt and revenue obligations that a local governmental entity is authorized to incur by law, including without limitation general obligation debt in the form of bonds or other obligations, revenue bonds and other forms of revenue obligations, and all other debt or revenue undertakings, including, but not limited to, bonds, notes, warrants, certificates or other evidences of indebtedness, or other obligations for borrowed money issued or to be issued by any local governmental entity. 'Debt' includes any financing lease or installment purchase contracts of any local public authorities.

(3) 'Independent financial adviser' means a person or entity experienced in the financial aspects and risks of qualified interest rate management agreements that is retained by the local governmental entity to render advice with respect to a qualified interest rate management agreement. The independent financial adviser may not be the counterparty or an affiliate or agent of the counterparty on a qualified interest rate management agreement with respect to which the independent financial adviser is advising the local governmental entity.

(4) 'Interest rate management plan' means a written plan prepared or reviewed by an independent financial adviser with respect to qualified interest rate management agreements of the local governmental entity, which plan has been approved by the governing body of the local governmental entity.

(5) 'Lease or installment purchase contract' means multiyear lease, purchase, installment purchase, or lease purchase contracts within the meaning of Code Sections 20-2-506 and 36-60-13 or substantially similar other or successor Code sections.

(6) 'Local governmental entity' means any governmental body as defined in paragraph (2) of Code Section 36-82-61, as amended; provided, however, that such term shall only include authorities which are local public authorities included in the definition thereof set forth in subparagraphs (C) and (D) of paragraph (2) of Code Section 36-82-61, as amended.

(7) 'Qualified interest rate management agreement' means an agreement, including a confirmation evidencing a transaction effected under a master agreement entered into by the local governmental entity in accordance with, and fulfilling the requirements of, Code Section 36-82-253, which agreement in the judgment of the local governmental entity is

designed to manage interest rate risk or interest cost of the local governmental entity on any debt or lease or installment purchase contract the local governmental entity is authorized to incur, including, but not limited to, interest rate swaps or exchange agreements, interest rate caps, collars, corridors, ceiling, floor, and lock agreements, forward agreements, swaptions, warrants, and other interest rate agreements which, in the judgment of the local governmental entity, will assist the local governmental entity in managing its interest rate risk or interest cost.

36-82-251.

With respect to all or any portion of any debt or lease or installment purchase contract, either issued or anticipated to be issued by the local governmental entity, the local governmental entity may enter into, terminate, amend, or otherwise modify a qualified interest rate management agreement under such terms and conditions as the local governmental entity may determine, including, without limitation, provisions permitting the local governmental entity to pay to or receive from any counterparty any loss of benefits under such agreement upon early termination thereof or default under such agreement.

36-82-252.

(a) Prior to executing and delivering a qualified interest rate management agreement, the local governmental entity shall have adopted an interest rate management plan that includes:

(1) An analysis of the interest rate risk, basis risk, termination risk, credit risk, market-access risk, and other risks to the local governmental entity entering into qualified interest rate management agreements;

(2) The local governmental entity s procedure for approving and executing qualified interest rate management agreements;

(3) The local governmental entity s plan to monitor interest rate risk, basis risk, termination risk, credit risk, market-access risk, and other risks;

(4) The local governmental entity s procedure for maintaining current records of all qualified interest rate management agreements that have been approved and executed; and

(5) Such other provisions as may from time to time be required by the governing body of the local governmental entity, including but not limited to additional provisions due to changes in market conditions for qualified interest rate management agreements.

(b) The local governmental entity shall conduct an annual review of its interest rate management plan as to the adequacy of the procedures set forth in such plan for the analysis and monitoring requirements set forth in subsection (a) of this Code section. A report summarizing the results of such review shall be submitted annually to the governing body of the local governmental entity. The requirements of this subsection shall not be construed as to require the review of any existing interest rate management plan by an independent financial adviser.

36-82-253.

(a) Each qualified interest rate management agreement shall meet the following requirements:

(1) Subject to subsection (b) of this Code section, the maximum term, including any renewal periods, of any qualified interest rate management agreement may not exceed ten years unless such longer term has been approved by the governing body of the local governmental entity; provided, however, that in no case may the term of the qualified interest rate management agreement exceed the latest maturity date of the bonds, notes, or debt or lease or installment purchase contract referenced in the qualified interest rate management agreement;

(2) The local governmental entity shall enter into a qualified interest rate management agreement only with a counterparty meeting the requirements set forth in paragraph (1) of Code Section 36-82-250;

(3) Prior to the execution and delivery by the local governmental entity of any qualified interest rate management agreement, an interest rate management plan meeting the requirements of Code Section 36-82-252 must have been approved by the governing body of the local governmental entity and the governing body of the local governmental entity shall have been provided evidence that such qualified interest rate management agreement is in compliance with the existing interest rate management plan;

(4) Any qualified interest rate management agreement shall be payable only in the currency of the United States of America; and

(5) Unless otherwise approved by the governing body of the local governmental entity, the notional amount of any qualified interest rate management agreement shall not exceed the outstanding principal amount of the debt or the aggregate payments due under any lease or installment purchase contract to which such agreement relates.

(b) A qualified interest rate management agreement may renew from calendar year to calendar year and may provide for the payment of any fee related to a termination or a nonrenewal, so long as the following requirements are satisfied:

(1) Such qualified interest rate management agreement shall terminate absolutely at the close of the calendar year in which it was executed and at the close of each succeeding calendar year for which it may be renewed;

(2) Any such qualified interest rate management agreement may provide for automatic renewal unless positive action is taken by the local governmental entity to terminate such contract, or may provide for termination or renewal in some other manner not prohibited by law, which method of renewal or termination, in either case, shall be specified in the qualified interest rate management agreement; and

(3) Such qualified interest rate management agreement shall include a statement of the total obligation of the local governmental entity for the calendar year of execution and, if renewed, for the calendar year of renewal.

A qualified interest rate management agreement meeting the requirements of this subsection may also provide that the local governmental entity s obligations will terminate immediately and absolutely at such time as appropriated and other funds encumbered for payment by the local governmental entity pursuant to the terms of such qualified interest rate management agreement are no longer available to satisfy such obligations. The total obligation of the local governmental entity for the calendar year payable pursuant to a qualified interest rate management agreement may be stated in contingent but objective terms with respect to variable rate payments or termination payments, but in that event a qualified interest rate management agreement must provide that it will terminate immediately and absolutely at such time as appropriated and other funds encumbered for its payment are no longer available to satisfy the obligations of the local governmental entity under such agreement. A qualified interest rate management agreement executed under this subsection shall not be deemed to create a debt of the local governmental entity or otherwise obligate the payment of any sum beyond the calendar year of execution or, in the event of a renewal, beyond the calendar year of such renewal.

(c)(1) Any qualified interest rate management agreement of a local governmental entity may provide that it is an unconditional, limited recourse obligation of such local governmental entity payable from a specified revenue source.

(2) A local governmental entity may, in any qualified interest rate management agreement that constitutes a limited recourse obligation of the local governmental entity, pledge to the punctual payment of amounts due under the qualified interest rate

management agreement revenues from a specified revenue source, which shall not include any taxes, including, without limitation, collateral derived from such revenue source or proceeds of the debt, including debt for future delivery, to which such qualified interest rate management agreement relates.

(d) A qualified interest rate management agreement that constitutes a limited recourse obligation shall not be payable from or charged upon any funds other than the revenue identified as the source of payment thereof, nor shall the local governmental entity entering into the same be subject to any pecuniary liability thereon. No counterparty under any such qualified interest rate management agreement shall ever have the right to compel any exercise of the taxing power of the state or the local governmental entity to pay any amount due under any such qualified interest rate management agreement, nor to enforce payment thereof against any property of the state or local governmental entity, other than the specified revenue source; nor shall any such qualified interest rate management agreement constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the state or local governmental entity, other than the specified revenue source. Every such qualified interest rate management agreement shall contain a recital setting forth the substance of this subsection.

(e) Any local governmental entity may enter into credit enhancement or liquidity agreements in connection with any qualified interest rate management agreement containing such terms and conditions as the governing body determines are necessary or desirable, provided that any such agreement has the same source of payment as the related qualified interest rate management agreement.

36-82-254.

The local governmental entity that has entered into a qualified interest rate management agreement shall include in its annual financial statements information with respect to each qualified interest rate management agreement it has authorized or entered into, including any information required pursuant to any statement issued by the Governmental Accounting Standards Board.

36-82-255.

When entering into any qualified interest rate management agreement authorized under this article, the agreement shall be governed by the laws of the State of Georgia, and jurisdiction over the local governmental entity in any matter concerning a qualified interest

rate management agreement shall lie exclusively in the courts of the State of Georgia or in the applicable federal court having jurisdiction and located within the State of Georgia.

36-82-256.

Any contract which has been duly authorized and executed by a local governmental entity before the effective date of this article shall not be rendered invalid or improper by the provisions of this article; provided, however, that this article shall apply to any renewal of such a contract after its effective date unless the contract permitted the renewal and set the terms of the renewal contract before January 1, 2005, in which case this article shall not apply to any such renewals.

SECTION 2.

Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by adding a new article at the end of Chapter 17, relating to state debt, investment, and depositories, to be designated Article 5, to read as follows:

“ARTICLE 5

50-17-100.

As used in this article, the term:

(1) 'Commission' means the Georgia State Financing and Investment Commission as defined in paragraph (1) of Code Section 50-17-21, as amended.

(2) 'Counterparty' means the party entering into a qualified interest rate management agreement with the state party. A counterparty must be a bank, insurance company, or other financial institution duly qualified to do business in the state that either:

(A) Has, or whose obligations are guaranteed by an entity that has, at the time of entering into a qualified interest rate management agreement and for the entire term thereof, a long-term unsecured debt rating or financial strength rating in one of the top two ratings categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, assigned by any two of the following: Moody s Investors Service, Inc., Standard & Poors Ratings Service, a division of The McGraw-Hill Companies, Inc., Fitch, Inc., or such other nationally recognized ratings service approved by the commission; or

(B) Has collateralized its obligations under a qualified interest rate management agreement in a manner approved by the commission.

(3) 'Debt' shall include all debt and revenue obligations that a state party is authorized to incur by law, including without limitation general obligation debt in the form of bonds or other obligations, guaranteed revenue debt in the form of bonds or other obligations, revenue bonds and other forms of revenue obligations, and all other debt or revenue undertakings, including, but not limited to, bonds, notes, warrants, certificates or other evidences of indebtedness, or other obligations for borrowed money issued or to be issued by any state party. 'Debt' includes any financing lease or installment purchase contracts of any state authority.

(4) 'Independent financial adviser' means a person or entity experienced in the financial aspects and risks of qualified interest rate management agreements that is retained by the state party to render advice with respect to a qualified interest rate management agreement. The independent financial adviser may not be the counterparty or an affiliate or agent of the counterparty on a qualified interest rate management agreement with respect to which the independent financial adviser is advising the state party.

(5) 'Interest rate management plan' means a written plan prepared or reviewed by an independent financial adviser with respect to qualified interest rate management agreements of the state party.

(6) 'Lease or installment purchase contract' means multiyear lease, purchase, installment purchase, or lease purchase contracts within the meaning of Code Sections 50-5-64, 50-5-65, and 50-5-77 or substantially similar other or successor Code sections.

(7) 'State party' means the state and any state authority.

(8) 'Qualified interest rate management agreement' means an agreement, including a confirmation evidencing a transaction effected under a master agreement, entered into by the state party in accordance with, and fulfilling the requirements of, Code Section 50-17-101 which agreement in the judgment of the state party is designed to manage interest rate risk or interest cost of the state party on any debt or lease or installment purchase contract the state party is authorized to incur, including, but not limited to, interest rate swaps or exchange agreements, interest rate caps, collars, corridors, ceiling, floor, and lock agreements, forward agreements, swaptions, warrants, and other interest rate agreements which, in the judgment of the state party, will assist the state party in managing the interest rate risk or interest cost of the state or state authority.

(9) 'State authority' means any state authority as defined in paragraph (9) of Code Section 50-17-21, as amended.

50-17-101.

(a) The commission is authorized to and shall establish guidelines, rules, or regulations with respect to the procedures for approving interest rate management plans and with respect to any requirements for qualified interest rate management agreements. Such guidelines, rules, and regulations shall apply to the interest rate management plans and qualified interest rate management agreements of any state party. Such guidelines, rules, and regulations shall not constitute a rule within the meaning of Chapter 13 of this title, the 'Georgia Administrative Procedure Act,' including, without limitation, the term 'rule' as defined in paragraph (6) of Code Section 50-13-2 and used in Code Section 50-13-4.

(b) With respect to all or any portion of any debt or any lease or installment purchase contract, either issued or anticipated to be issued by the state party, the state party may enter into, terminate, amend, or otherwise modify a qualified interest rate management agreement under such terms and conditions as the state party may determine, including, without limitation, provisions permitting the state party to pay to or receive from any counterparty any loss of benefits under such agreement upon early termination thereof or default under such agreement.

(c) Payments received by a state party pursuant to the terms of a qualified interest rate management agreement shall not be deposited into the state general fund but shall be subject to disposition by the state party and applied in accord with the goals of managing interest rate risk and interest cost as set forth in the qualified interest rate management agreement, any authorizing document for the debt or the lease or installment purchase contract to which such qualified interest rate management agreement relates, or such state party s interest rate management plan.

(d)(1) With respect to any qualified interest rate management agreement related to all or any portion of debt of a state party, the obligations of the state party contained in such qualified interest rate management agreement may be incurred as related or additional obligations of such debt and approved in the same manner as required for authorizing, approving, and issuing such debt to the extent not otherwise prohibited, limited, or impractical and consistent with any tax-exempt status of the related debt. If this power is exercised with respect to state debt, the obligations to pay a counterparty shall be subordinate to the obligations to pay holders of general obligation debt, guaranteed revenue debt, and all payments required under contracts entitled to the protection of the second paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of 1976.

(2) When the obligations of the state party are not incurred as related or additional obligations pursuant to paragraph (1) of this subsection and the qualified interest rate

management agreement relates to debt of a state authority, the qualified interest rate management agreement shall be on such terms and conditions as the state party and counterparty agree consistent with provisions of this article.

(3) When the obligations of the state party are not incurred as related or additional obligations pursuant to paragraph (1) of this subsection and the qualified interest rate management agreement relates to debt of the state or to a lease or installment purchase contract, the obligations of the state party contained in such qualified interest rate management agreement may renew from fiscal year to fiscal year and may provide for the payment of any fee related to a termination or a nonrenewal, so long as the following requirements are satisfied:

(A) Such qualified interest rate management agreement shall terminate absolutely at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed;

(B) Any renewal of such qualified interest rate management agreement shall require positive action taken by the state party or in such other manner not otherwise prohibited by law which method of renewal and termination, in either case, shall be specified in the qualified interest rate management agreement; and

(C) Such qualified interest rate management agreement shall include a statement of the total obligation of the state party for the fiscal year of execution and, if renewed, for the fiscal year of renewal.

A qualified interest rate management agreement meeting the requirements of this paragraph may also provide that the state s obligations will terminate immediately and absolutely at such time as appropriated and other funds encumbered for payment by the state pursuant to the terms of such qualified interest rate management agreement are no longer available to satisfy such obligations. The total obligation of the state for the fiscal year payable pursuant to a qualified interest rate management agreement may be stated in contingent but objective terms with respect to variable rate payments or termination payments, but in that event a qualified interest rate management agreement must provide that it will terminate immediately and absolutely at such time as appropriated and other funds encumbered for its payment are no longer available to satisfy the obligations of the state under such agreement. A qualified interest rate management agreement executed under this paragraph shall not be deemed to create a debt of the state or otherwise obligate the payment of any sum beyond the fiscal year of execution or, in the event of a renewal, beyond the fiscal year of such renewal. When a qualified interest rate management agreement is executed under this paragraph or paragraph (1) of this

subsection, the obligation of the state may be treated as an operating expense of the commission within the meaning of Paragraph VII of Section IV of Article VII of the Constitution and within the meaning of paragraph (2) of subsection (g) of Code Section 50-17-22 and of subsection (b) of Code Section 50-17-27.

(e)(1) The obligations of a state party to pay a counterparty under a qualified interest rate management agreement with respect to debt may be paid from any lawful source, to the extent not otherwise prohibited, limited, or impractical and consistent with any tax exempt status of the related debt and in compliance with the Budget Act, including without limitation, as to the state, proceeds of general obligation debt, earnings on investments of proceeds of general obligation debt, appropriations of state and federal funds, and agency funds; and, as to any state authority, any funds of such state authority to the extent not otherwise prohibited, limited, or impractical and consistent with any tax exempt status of the related debt.

(2) The obligations of a state party to pay a counterparty under a qualified interest rate management agreement with respect to a lease or installment purchase contract may be paid from any lawful source, to the extent not otherwise prohibited, limited, or impractical and consistent with any tax-exempt status of the related lease or installment purchase agreement and in compliance with the Budget Act, including without limitation appropriations of state and federal funds and agency funds.

(f)(1) With respect to obligations of a state authority to pay a counterparty, any qualified interest rate management agreement of a state authority may provide that it is an unconditional, limited recourse obligation of such state authority payable from a specified revenue source.

(2) A state authority may, in any qualified interest rate management agreement that constitutes a limited recourse obligation of the state authority, pledge to the punctual payment of amounts due under the qualified interest rate management agreement revenues from a specified revenue source, which shall not include any taxes, including without limitation collateral derived from such revenue source or proceeds of the debt, including debt for future delivery, to which such qualified interest rate management agreement relates.

(3) A qualified interest rate management agreement that constitutes a limited recourse obligation shall not be payable from or charged upon any funds other than the revenue identified as the source of payment thereof, nor shall the state authority entering into the same be subject to any pecuniary liability thereon. No counterparty under any such qualified interest rate management agreement shall ever have the right to compel any

exercise of the taxing power of the state or the state authority to pay any amount due under any such qualified interest rate management agreement, nor to enforce payment thereof against any property of the state or state authority, other than the specified revenue source; nor shall any such qualified interest rate management agreement constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the state or state authority, other than the specified revenue source. Every such qualified interest rate management agreement shall contain a recital setting forth the substance of this paragraph.

(g)(1) The commission shall act for the state with respect to debt of the state and a qualified interest rate management agreement. However, upon authorization of the Governor, the Office of Treasury and Fiscal Services shall act as fiscal agent or provide other administrative services.

(2) A state authority shall act for itself with respect to an interest rate management plan, a qualified interest rate management agreement, and an independent financial advisor regarding the debt of the state authority subject, however, to the guidelines, rules, and regulations of the commission under subsection (a) of this Code section. Further, the interest rate management plan, a qualified interest rate management agreement, and retention of an independent financial advisor will be treated as financial advisory matters within the exclusive authority and jurisdiction of the commission under paragraph (1) of subsection (f) of Code Section 50-17-22 and will require specific commission approval, unless the commission otherwise directs in either the specific case or in general terms. Upon authorization of the Governor, the Office of Treasury and Fiscal Services shall act as fiscal agent or provide other administrative services for a qualified interest rate management agreement of the state authority.

(3) The agency responsible for payment shall act for the state with respect to a lease or installment purchase contract but only under the supervision and approval of the commission. Upon authorization of the Governor, the Office of Treasury and Fiscal Services shall act as fiscal agent or provide other administrative services.

50-17-102.

(a) Prior to executing and delivering a qualified interest rate management agreement, the state party shall have adopted an interest rate management plan that includes:

(1) An analysis of the interest rate risk, basis risk, termination risk, credit risk, market-access risk, and other risks to the state party entering into qualified interest rate management agreements;

(2) The state party s procedure for approving and executing qualified interest rate management agreements;

(3) The state party s plan to monitor interest rate risk, basis risk, termination risk, credit risk, market-access risk, and other risks; and

(4) Such other provisions as may from time to time be required by the commission, including but not limited to additional provisions due to changes in market conditions for qualified interest rate management agreements.

Any interest rate management plan adopted by the state shall be approved by the commission or by a designated officer of the commission and shall have been reviewed by an independent financial adviser approved by the commission.

(b) The state party shall conduct an annual review of its interest rate management plan as to the adequacy of the procedures set forth in such plan for the analysis and monitoring requirements set forth in subsection (a) of this Code section. A report summarizing the results of such review shall be submitted annually to the commission and, with respect to any interest rate management plan of a state authority, to the governing body of such state authority. The requirements of this subsection shall not be construed as to require the review of any existing interest rate management plan by an independent financial adviser.

50-17-103.

(a) Each qualified interest rate management agreement shall meet the following requirements:

(1) The maximum term, including any renewal periods, of any qualified interest rate management agreement of the state may not exceed ten years unless such longer term has been approved by the commission. In addition to approval of the commission required by paragraph (2) of subsection (g) of Code Section 50-17-101, the maximum term, including any renewal periods, of any qualified interest rate management agreement of a state authority may not exceed ten years unless such longer term has been approved by the governing body of the state authority. The foregoing provisions of this paragraph notwithstanding, in no case may the term of the qualified interest rate management agreement exceed the latest maturity date of the bonds, notes, debt, or lease or installment purchase contract referenced in the qualified interest rate management agreement.

(2) The state party shall enter into a qualified interest rate management agreement only with a counterparty meeting the requirements set forth in paragraph (2) of Code Section 50-17-100.

(3) Prior to the execution and delivery by the state of any qualified interest rate management agreement, an interest rate management plan meeting the requirements of Code Section 50-17-102 must have been submitted to the commission and the commission shall have been provided evidence that such qualified interest rate management agreement is in compliance with the existing interest rate management plan. Prior to the execution and delivery by a state authority of any qualified interest rate management agreement, an interest rate management plan meeting the requirements of Code Section 50-17-102 must have been submitted to the governing body of the state authority and the governing body of the state authority shall have been provided evidence that such qualified interest rate management agreement is in compliance with the existing interest rate management plan.

(4) Any qualified interest rate management agreement shall be payable only in the currency of the United States of America.

(5) The notional amount of any qualified interest rate management agreement shall not exceed the outstanding principal amount of the debt or the aggregate payments due under any lease or installment purchase contract to which such agreement relates unless otherwise approved in writing by the commission for any qualified interest rate management agreement executed by the state or by the governing body of the state authority for any qualified interest rate management agreement executed by a state authority, subject to the approval of the commission required by paragraph (2) of subsection (g) of Code Section 50-17-101.

(b) Any state party may enter into credit enhancement or liquidity agreements in connection with any qualified interest rate management agreement containing such terms and conditions as the state party determines are necessary or desirable, provided that any such agreement has the same source of payment as the related qualified interest rate management agreement.

50-17-104.

The state party that has entered into a qualified interest rate management agreement shall include in its annual financial statements information with respect to each qualified interest rate management agreement it has authorized or entered into, including any information required by any accounting or regulatory standard to which the state party is subject.

50-17-105.

When entering into any qualified interest rate management agreement authorized under this article, the agreement shall be governed by the laws of the State of Georgia, and jurisdiction over the state party in any matter concerning a qualified interest rate management agreement shall lie exclusively in the courts of the State of Georgia or in the applicable federal court having jurisdiction and located within the State of Georgia.

SECTION 3.

Said title is further amended by striking paragraph (2) of subsection (g) of Code Section 50-17-22, relating to the Georgia State Financing and Investment Commission, and inserting in its place a new paragraph (2) to read as follows:

"(2) The executive secretary shall prepare, under the direction and supervision of the commission, any budgets, requests, estimates, records, or other documents deemed necessary or efficient for compliance with Part 1 of Article 4 of Chapter 12 of Title 45, the 'Budget Act,' to provide for the payment of personnel services, operating expense, and administration and otherwise carry out this article. The commission may but need not receive an appropriation for personnel, administrative services, and other operating expenses of the commission. The commission may but need not receive an appropriation for the costs of issuance, validation, and delivery of obligations to be incurred, including, but not limited to, trustee s fees, paying agent fees, printing fees, bond counsel fees, district attorney fees, clerk of the superior court fees, architect fees, and engineering fees, which costs and fees are dependent on the principal amount of the obligations incurred and are determined to be appropriate costs of the project or projects for which such obligations are incurred and are authorized to be paid from bond proceeds. The commission may but need not receive an appropriation for expenditures made for fees and expenses incurred in safeguarding and protecting public health, life, and property in connection with projects for which general obligation debt has been incurred.

SECTION 4.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.